GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6904
ANSWERED ON:07.05.2010
RECOVERY OF LOANS
Yadav Shri Hukamdeo Narayan

Will the Minister of FINANCE be pleased to state:

(a) whether loans of Multi National Companies (MNCs) and Industrial Houses are pending with the Banks for recovery;

(b) if so, the company-wise details of such loans alongwith interest separately pending for recovery for one year, three years and more than three years;

(c) whether the process of recovery of aforesaid loans is similar to that adopted for others;

(d) if so, the details thereof; and

(e) the corrective steps taken by the Government for the recovery of such loans ?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b) : The existing Management Information System of the Reserve Bank of India (RBI) does not provide the information in the desired manner. However, The details of total gross advances outstanding for the industrial purposes by banks for the years 2006-07, 2007-08, 2008-09 and 2009-10 (till 31.12.2009) are Rs. 6,42,048 crore, Rs. 8,29,243 crore, Rs. 10,15,892 crore and Rs.11,34,667 crore respectively. Most of these outstanding loans are standard assets wherein the repayments are received by the banks in time in usual course of business.

(c) & (d) : The procedure for recovery of banks' dues depend upon the classification of the assets, amount of the outstanding loan, security available and its realizable value, applicability of the relevant provisions of law, RBI guidelines and recovery policy of the Bank, etc.

(e) To improve the health of financial sector, to reduce the NPAs, to improve asset quality of the banks and to create a good recovery climate, RBI and the Government have taken various steps over the years which, inter-alia, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, Corporate Debt Restructuring and other restructuring schemes, One Time Settlement schemes, enactment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, the Credit Information Companies (Regulation) Act, 2005, and the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993 etc.